



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

October 6, 1997

S. 1158

Huna Totem Corporation Land Exchange Act

*As ordered reported by the Senate Committee on Energy and Natural Resources
on September 24, 1997*

CBO estimates that enacting this bill would not have a significant impact on the federal budget. Because the bill could affect offsetting receipts (a form of direct spending), pay-as-you-go procedures would apply, but we estimate that any increase in direct spending would total less than \$500,000 per year. S. 1158 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act of 1995 and would impose no significant costs on the budgets of state, local, or tribal governments.

S. 1158 would direct the Secretary of Agriculture to convey the surface estate to certain federal lands in the Tongass National Forest to the Huna Totem Corporation, and also to convey the subsurface estate to such federal lands to the Sealaska Corporation. The federal land to be conveyed would be selected by the two corporations from federal lands depicted on the map described in the bill dated September 1, 1997. The bill also provides that the Huna Totem Corporation and Sealaska convey to the United States approximately 2,000 acres of surface and subsurface estates.

S. 1158 does not specify the federal land to be conveyed to the Huna Totem Corporation, but it does provide that the exchange be on the basis of equal value, unless the Secretary determines it is in the public interest to make the exchange for other than equal value. For the purpose of this estimate, CBO assumes that the lands exchanged under the bill would be of approximately equal value. CBO expects that enacting this bill could decrease offsetting receipts to the federal government. According to the Forest Service, the agency would generally consider the area acquired from the corporation to be unsuitable for future harvesting because it lies within the watershed and viewshed for the city of Hoonah. Some of the federal land that could be conveyed to the corporation under S. 1158 currently does not generate federal timber receipts because it has been logged recently; however, a portion of the federal land that could be conveyed is not currently being harvested because it has been set aside as part of a conservation reserve under the Tongass National Forest management plan. According to the Forest Service, if the corporation harvested those areas

following exchange, then the agency would be obliged under the forest management plan to reserve another area of federal land within the Tongass National Forest for conservation that would otherwise have been harvested under current law. Therefore, enacting the bill could decrease offsetting receipts to the federal government. We estimate that any increase in direct spending from forgoing timber receipts under S. 1158 would total less than \$500,000 a year over the 1998-2007 period.

The CBO staff contact for this estimate is Victoria V. Heid. This estimate was approved by Paul N. Van de Water, Assistant Director for Budget Analysis.